



JAMES A. NOYES, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

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ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE  
REFER TO FILE: **AS-0**

February 27, 2003

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

### **LOS ANGELES RIVER TRASH AND DEBRIS COLLECTION SYSTEM SUPERVISORIAL DISTRICT 4 3 VOTES**

#### **IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

1. Find that the project is exempt from the provisions of the California Environmental Quality Act (CEQA).
2. Approve the agreement and issue payment in the amount of \$48,000 to Nautilus Marine Protection, Inc., for the quitclaim and assignment of all rights, titles, and interests in the Los Angeles River Trash and Debris Collection System.
3. Award the agreement for "Los Angeles River Trash and Debris Collection System" to Frey Environmental, Inc., located in Newport Beach, California, for the operation, maintenance, and monitoring of the system for a period of two years commencing upon Board approval with five 1-year renewal options not to exceed a total contract period of seven years.
4. Instruct the Chair to sign the agreements with Nautilus Marine Protection, Inc., and Frey Environmental, Inc.
5. Authorize Public Works to encumber an annual amount not to exceed \$450,000 representing the estimated maximum annual cost for the operation, maintenance, and monitoring services.

6. Authorize Frey Environmental, Inc., to proceed with the work in accordance with the contract's specifications, terms, conditions, and requirements.
7. Delegate authority to the Director of Public Works to renew this agreement with Frey Environmental, Inc., for any of the five 1-year renewal options, if, in the opinion of the Director, renewal is warranted.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The existing Los Angeles River Trash and Debris Collection System was constructed and tested during a two-year pilot demonstration project (2000-02) in which over 1,200 cubic yards (150 tons) of urban trash and debris were captured and removed from the Los Angeles River. During the current 2002-03 storm season, the system has already captured an additional 1,060 cubic yards (170 tons) of material. This innovative new technology has proven the feasibility of trapping and removing this vegetation and urban trash from the waterway. The removal of this material at the mouth of the River is improving navigation in the Port of Long Beach, reducing deposition onto recreational areas and aquatic habitats, and improving water quality and visual aesthetics.

The recommended action is to authorize the purchase of all rights, titles and interests, tangible and intellectual, in the system and to award an agreement to continue the operation, maintenance, and monitoring of the system for a period of two to seven years.

Nautilus Marine Protection, Inc., is the current contractor for the pilot demonstration phase of this project. As the goals of the pilot demonstration phase of this project have been met, Public Works is seeking to continue with operations, maintenance, and monitoring of the system.

Frey Environmental, Inc., is the recommended contractor to continue the operation, maintenance, and monitoring of the existing system for the removal of urban trash and debris.

### **Implementation of Strategic Plan Goals**

The agreement with Nautilus Marine Protection, Inc., and the operational agreement with Frey Environmental, Inc., are consistent with the County's Strategic Plan Goals of Organizational Effectiveness and Children's and Families' Well Being. The agreement with Nautilus Marine Protection, Inc., will improve internal operations through the acquisition of the tangible and intellectual property rights to the system, and the operational agreement with Frey Environmental, Inc., will utilize the contractor's expertise to effectively continue

these services in a timely and effective manner, as well as improve the quality of life in the County.

### **FISCAL IMPACT/FINANCING**

Acquisition of all rights, titles, and interests of any kind in the system is a one time cost of \$48,000. This amount represents acquiring all intellectual property rights along with all the equipment and materials required to capture trash and debris in the system.

The agreement to continue operation, maintenance, and monitoring of the system is for an annual amount not to exceed \$450,000. This amount represents Frey Environmental, Inc., price to perform the requested work and Public Works' estimated annual cost for additional harvesting and/or repairs to the system that are encountered as the work progresses.

The operational agreement will be for a period of two years commencing upon Board approval. With the Board's delegated authority, the Director may renew the contract from year to year for a total contract period not to exceed seven years. In any event, the agreement may be canceled or terminated at any time by the County, without cause, upon the giving of at least 30 days' written notice to the contractor.

Funds are available in the Flood Control Districts' 2002-03 budget to cover the cost of the acquisition agreement and the operational agreement. There will be no impact on net County cost.

The operational agreement allows cost-of-living adjustments for the five optional years in accordance with County policy established by the Chief Administrative Office.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Public Works has evaluated and determined that the Living Wage Program (Los Angeles County Code Chapter 2.201) does not apply to this recommended operational agreement which is for non-Proposition A services, as the services are needed on a part-time and intermittent basis.

Both contractors have properly executed the respective agreements and County Counsel has approved them as to form.

## **ENVIRONMENTAL DOCUMENTATION**

On November 16, 1999, Synopsis 40, your Board found that the pilot demonstration project is categorically exempt under Section 15301, Class 1, Section 15305, of the California Environmental Quality Act (CEQA). The continued operation and maintenance of the project is also categorically exempt from CEQA.

## **CONTRACTING PROCESS**

On July 2, 2002, Public Works solicited proposals from 343 independent contractors and community business organizations to accomplish the operation, maintenance, and monitoring of the existing system. Also, notice of proposal availability was placed on the County's bid website (Enclosure A) and an advertisement was placed in the Los Angeles Times.

On August 5, 2002, three proposals were received. The proposals were first reviewed to ensure they met the mandatory requirements outlined in the Request for Proposals (RFP). All three proposals met these requirements and were evaluated by an evaluation committee consisting of Public Works' staff. The committee's evaluation was based on criteria described in the RFP which included proposed fee, work and safety plan of action/approach, experience, and capability. Based on this evaluation, Public Works is recommending that this operational agreement be awarded to Frey Environmental, Inc., located in Newport Beach, California, who was found to be the most responsive and lowest-cost proposer to perform the required service.

Enclosure B reflects the proposers' minority participation. Frey Environmental, Inc., was selected upon final analysis and consideration without regard to race, creed, gender, or color.

This operational agreement contains Board-approved agreement terms and conditions regarding the contractor notifying their current and new employees of the Federal-earned income tax credit, agreeing to maximize to the extent possible the use of recycled-content paper products, contractor responsibility and debarment, jury service requirements, and no payment for services rendered after expiration or termination of the agreement.

Proof of the required Comprehensive General and Automobile Liability insurance policies, naming the County as additional insured, and evidence of Workers' Compensation insurance will be obtained from Frey Environmental, Inc., before any work is assigned.

The Honorable Board of Supervisors  
February 27, 2003  
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As requested by your Board, Frey Environmental, Inc., has submitted a safety record which, in our opinion, reflects that activities conducted by the contractor in the past have been according to reasonable standards of safety.

In accordance with the Chief Administrative Officer's June 15, 2001, instructions, this is Public Works' assurance that Frey Environmental, Inc., will not be requested to perform services which will exceed the contract's approved amount, scope of work, and/or terms.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The award of this operational agreement will not result in the displacement of any County employees.

**CONCLUSION**

Please have the originals and one copy of each of the agreements signed by the Chair. Please return the signed copies to Public Works, together with conformed copies for Public Works' file. The fully executed originals should be retained for your files.

One approved copy of this letter is requested.

Respectfully submitted,

JAMES A. NOYES  
Director of Public Works

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A:\Los Angeles River Trash and Debris Collection Systems.wpd

Enc. 8

cc: Chief Administrative Office  
County Counsel (Dave Michaelson)

## A G R E E M E N T

THIS AGREEMENT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2002, BY AND BETWEEN the COUNTY OF LOS ANGELES, acting as the governing body of the Los Angeles County Flood Control District, hereinafter referred to as "COUNTY," and FREY ENVIRONMENTAL, INC., hereinafter referred to as "CONTRACTOR."

## W I T N E S S E T H

FIRST: That the Contractor, for the consideration hereinafter set forth and the acceptance by the Board of Supervisors of said County of the Contractor's Proposal filed with the County on the 5<sup>TH</sup> day of August 2002, hereby agrees to operate a trash and debris collection system for the removal of trash and uprooted vegetation from the Los Angeles River as described in the attached Specifications for "Los Angeles River Trash and Debris Collection System."

SECOND: The Contract Specifications, the Contractor's Proposal, and the Standard Terms and Conditions of Los Angeles County Services Contracts, all attached hereto; Addenda to the Request for Proposals, and the insurance certifications are incorporated herein, and are agreed by the County and the Contractor to constitute an integral part of the Contract documents.

THIRD: The County agrees, in consideration of satisfactory performance of the foregoing services in strict accordance with the Contract's Specifications to the satisfaction of the Director of Public Works, to pay the Contractor pursuant to Part I, Section 6, Schedule of Prices, as set forth in the Contractor's Proposal, an annual amount not to exceed \$219,000 or such greater amount as the Board may approve.

FOURTH: In the event that terms and conditions which may be listed in the Contractor's proposal conflict with the County's Specifications, Requirements, Terms, and Conditions, herein, the County's Specifications, Requirements, Terms, and Conditions shall control and be binding.

FIFTH: The Contractor agrees in strict accordance with the Contract Specifications and Conditions to meet the County's requirements.

SIXTH: This Contract constitutes the entire agreement between the County and the Contractor with respect to the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings.

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IN WITNESS WHEREOF, the County has, by order of its Board of Supervisors, caused these presents to be subscribed by the Chair of said Board and the seal of said Board to be affixed and attested by the Clerk thereof, and the Contractor has subscribed its name by and through its duly authorized officers, as of the day, month, and year first written above.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS  
Executive Officer of the  
Board of Supervisors of  
the County of Los Angeles

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN  
County Counsel

By \_\_\_\_\_  
Deputy

Frey Environmental, Incorporated

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Secretary



## **AGREEMENT**

This **AGREEMENT**, made and entered into by and between the **COUNTY OF LOS ANGELES**, a political subdivision of the State of California, hereinafter referred to as "**COUNTY**", acting on behalf of the Los Angeles County Flood Control District, a body corporate and politic, hereinafter referred to as "**DISTRICT**," and **NAUTILUS MARINE PROTECTION, INC.**, a private corporation in the State of California, and David Bilicki (hereinafter Nautilus Marine Protection, Inc. and David Bilicki are referred to collectively as "**CONSULTANT**").

## **WITNESSETH**

**WHEREAS, COUNTY** is administering all matters for **DISTRICT** pursuant to Section 56-3/4 of **COUNTY'S** Charter and in accordance with Agreement No. 49080, approved on December 26, 1984, between **COUNTY** and **DISTRICT**; and

**WHEREAS, CONSULTANT** and **COUNTY** have heretofore executed Agreement No. 72659, dated April 4, 2000, and Amendment 1 to said Agreement, dated March 20, 2001, hereinafter referred to as the **PRIOR AGREEMENT**, for the design, fabrication, installation and testing of the Los Angeles River Trash and Debris Collection System, hereinafter referred to as the **SYSTEM**, at 340 Harbor Drive in the City of Long Beach, California; and

**WHEREAS**, pursuant to the terms of the **PRIOR AGREEMENT**, **CONSULTANT** designed, fabricated and installed the **SYSTEM**; and

**WHEREAS**, the **SYSTEM** has been tested for a period in excess of two years to capture trash, debris, and vegetation conveyed by the Los Angeles River; and

**WHEREAS, COUNTY** has financed the cost of the materials, equipment and labor for **CONSULTANT'S** design, fabrication, installation and testing of the **SYSTEM**; and

**WHEREAS, COUNTY** has determined that it is a matter of necessity to continue the operation of the **SYSTEM** to address urban runoff in the Los Angeles River; and

**WHEREAS**, the testing of the **SYSTEM** is complete and **COUNTY** has issued a Request for Proposals and received bids from interested parties for routine operations, maintenance, and monitoring of the **SYSTEM** for a period of two to seven years; and

**WHEREAS, CONSULTANT** is not a bidder on current contract to operate, maintain, and monitor the **SYSTEM**; and

**WHEREAS**, the **PRIOR AGREEMENT** between **COUNTY** and **CONSULTANT** will expire upon **COUNTY OF LOS ANGELES BOARD OF SUPERVISORS** approval and **COUNTY** issuance of Notice to Proceed of Agreement to operate, maintain, and monitor the **SYSTEM** for a period of two to seven years; and

**WHEREAS**, in the course of its performance under the **PRIOR AGREEMENT**, **CONSULTANT** acquired certain equipment and materials that were necessary to

enable it (**CONSULTANT**) to operate, maintain and monitor the **SYSTEM**, such equipment and material includes, at a minimum, and without limitation, boom sections, metal skirt, keel blocks, shackles, cables, and all related support equipment, materials, and spares (hereinafter referred to collectively as the "**SUPPORT EQUIPMENT**")

**WHEREAS, COUNTY** contends that it owns all rights, titles and interests of any kind whatsoever in and to the **SYSTEM** and the **SUPPORT EQUIPMENT**, on the ground that it financed the creation of both; and

**WHEREAS, CONSULTANT** contends that it owns all rights, titles and interests of any kind whatsoever in the **SYSTEM** and **SUPPORT EQUIPMENT**; and

**WHEREAS, CONSULTANT** and **COUNTY** desire to avoid litigation over their above-noted conflicting contentions regarding ownership of the **SYSTEM** and **SUPPORT EQUIPMENT**, preferring instead to enter into this **AGREEMENT** in order to fully and forever settle and resolve such issue;

**NOW, THEREFORE**, in consideration of the mutual benefits and premises contained herein, by and between **CONSULTANT** and **COUNTY**, and of the promises herein contained, it is hereby agreed as follows:

**(1) CONSULTANT AGREES:**

1. To quitclaim, assign, convey, transfer and sell to **COUNTY** the entirety of whatever rights, titles and interests of any kind whatsoever **CONSULTANT** may have in the **SYSTEM** and **SUPPORT EQUIPMENT**..
2. To effectuate the foregoing quitclaim and assignment and sale by execution of a Bill of Sale in the form attached hereto as "Attachment A" (which attachment is by the foregoing reference, incorporated herein) concurrently with the execution of this Agreement.
3. To quitclaim, assign, convey, transfer and sell to **COUNTY** the entirety of whatever rights, titles and interests of any kind whatsoever **CONSULTANT** may have in the **SYSTEM**, including, above and beyond any tangible property rights it may have in the **SYSTEM**, any and all intellectual property rights that it may have therein, including without limitation, the design, structure, materials, configuration, methodologies and technologies used or embodied in the **SYSTEM** (hereinafter referred to as "the **IP RIGHTS**"), by execution of an instrument of "Quitclaim and Assignment" in the form attached hereto as "Attachment B" (which "Attachment B" is by the foregoing reference, incorporated herein), concurrently with the execution of this **AGREEMENT**.
4. To inspect all of the equipment and materials comprising the **SUPPORT EQUIPMENT** and provide any necessary repairs to either or both the

**SUPPORT EQUIPMENT** and/or the **SYSTEM**, prior to their assignment and sale to **COUNTY**.

5. To furnish **COUNTY** maintenance schedule for all equipment and materials comprising the **SUPPORT EQUIPMENT** and maintenance schedule for the **SYSTEM** including description of past maintenance performed on the **SYSTEM**, and on the equipment and materials comprising the **SUPPORT EQUIPMENT**.
6. To furnish **COUNTY** with all vendor location and contact information for all equipment and materials, comprising the **SYSTEM** and the **SUPPORT EQUIPMENT**.
7. To continue operating, maintaining, and monitoring the **SYSTEM** until such time that the **PRIOR AGREEMENT** is terminated and Notice to Proceed is issued for contract to operate, maintain, and monitor the **SYSTEM** for a period of two to seven years.
8. To respect the **IP Rights**, if any, being quitclaimed and assigned to **COUNTY** in the event **CONSULTANT** elects to continue to work in the field of designing, constructing and/or operating river trash and debris collection systems.

**(2) COUNTY AGREES:**

1. To pay **CONSULTANT** for its quitclaim, assignment and sale of the entirety of whatever property rights of any kind whatsoever, tangible and intellectual, it may have in and to the **SYSTEM** and the **SUPPORT EQUIPMENT**, in an amount not to exceed \$48,000.
2. To pay **CONSULTANT** said amount within 30 days upon **BOARD OF SUPERVISORS** approval of this **AGREEMENT**.

**(3) RELEASE**

1. In consideration of the promises made herein by **COUNTY**, **CONSULTANT** does hereby fully and forever release **COUNTY** from any and all claims, causes of action and demands, known or unknown, which **CONSULTANT** has, owns or holds against **COUNTY** which arise from, are based upon, or related to the **PRIOR AGREEMENT**, including, without limitation, said dispute as to the ownership of all property rights in the **SYSTEM** and **SUPPORT EQUIPMENT**.
2. **CONSULTANT** acknowledges that there is a risk that, subsequent to the execution of this **AGREEMENT**, it may hereafter discover facts, in addition to or different from those which the **CONSULTANT** now believes to be true with respect to the subject matter herein released, and that, as a

result thereof, claims may be discovered, which were unknown or unanticipated by the **CONSULTANT** at the time of executing this **AGREEMENT**, which, if known or anticipated on the date of execution of this **AGREEMENT**, might have materially affected **CONSULTANT'S** decision to enter into this **AGREEMENT**. The **CONSULTANT** further acknowledges and agrees that it has have taken the foregoing possibility into account in reaching this **AGREEMENT**, and that the releases herein given shall be and remain in effect as full and complete releases, notwithstanding the existence of any such after-discovered additional or different facts.

3. **CONSULTANT** agrees and intends that the release set forth hereinabove shall include any and all claims which **CONSULTANT** may have against **COUNTY**, known or unknown, and that all rights and benefits conferred by the provisions of Section 1542 of the California Civil Code, and any other statutory or decisional authorities to the same effect are expressly waived. Section 1542 of the Civil Code reads as follows:

*1. "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."*

In waiving the provisions of Section 1542 of the California Civil Code, the **CONSULTANT** hereto acknowledges that it is knowingly assuming the risk that presently unknown claims may hereafter be discovered and agree that this **AGREEMENT** shall apply to any such claims falling within the scope of the foregoing release.

**(4) IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:**

1. All of the equipment and materials comprising the **SYSTEM** and the **SUPPORT EQUIPMENT** quitclaimed, assigned and sold to **COUNTY** by **CONSULTANT** have been inspected by **CONSULTANT** and determined to be in good working order and able to withstand moderate river flows, at a minimum.
2. **COUNTY** reserves the right to make payment to **CONSULTANT** conditional, based on **COUNTY'S** inspection and acceptance of **CONSULTANT'S** work.
3. Following **CONSULTANT'S** execution and delivery of said Bill of Sale and said Quitclaim and Assignment (in the forms shown in Attachments A and B hereto, respectively), **COUNTY**, as sole owner of the **SYSTEM** and **SUPPORT EQUIPMENT**, shall have all the property rights of ownership, including without limitation, the unlimited and perpetual right to operate, maintain, and modify the **SYSTEM** and the **SUPPORT EQUIPMENT**.

Moreover, **COUNTY** shall have the unconditional right to grant to third parties contracted by **COUNTY** the right to operate, maintain and modify the **SYSTEM** and the **SUPPORT EQUIPMENT** pursuant to the terms and conditions of the contracts pursuant to which **COUNTY** engages such third parties.

4. Each party shall have no financial obligation to the other party under this **AGREEMENT**, except as herein expressly provided.
5. **COUNTY** shall have the right to terminate this **AGREEMENT** in its entirety and all rights ensuing therefrom immediately upon failure of **CONSULTANT** to keep, perform and observe any of the covenants, conditions, and terms of this **AGREEMENT**.
6. This **AGREEMENT** is by and between the **COUNTY** and **CONSULTANT** in settlement of said dispute regarding ownership of the **SYSTEM** and **SUPPORT EQUIPMENT**, and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between **COUNTY** and **CONSULTANT**.
7. **CONSULTANT** shall defend, indemnify and hold **COUNTY** harmless from and against any and all claims by third parties, including without limitation employees of **COUNTY**, based on allegations of bodily injury or death attributable to, caused by or otherwise related to alleged defects in (i) the design of the **SYSTEM** and/or (ii) the workmanship and materials utilized in and for the manufacture and construction of the **SYSTEM**.
8. **CONSULTANT** shall also indemnify and hold **COUNTY** harmless in the event that, notwithstanding **CONSULTANT's** representations to the contrary in said Bill of Sale and said Quitclaim and Assignment, a creditor of **CONSULTANT** has perfected a lien, security interest, charge or other encumbrance in or against the **SYSTEM** and/or the **SUPPORT EQUIPMENT**, causing **COUNTY** to have to pay money to such creditor in order to obtain a release or discharge of such lien, security interest or other encumbrance.
9. **COUNTY** and **CONSULTANT** mutually acknowledge that they do not intend for any entity to be a third party beneficiary under this **AGREEMENT**; accordingly, nothing in this **AGREEMENT** shall be construed as conferring upon any third party any benefit derived from this **AGREEMENT** or otherwise relating to the subject matter hereof.
11. The provisions of the **AGREEMENT** shall be interpreted and enforced pursuant to the laws of the State of California.
12. This **AGREEMENT** may be amended or modified only by the mutual written consent of **COUNTY** and **CONSULTANT**.

13. Any official notices or correspondence related to this **AGREEMENT** shall be in writing and sent to the following addresses:

**CONSULTANT:** Mr. David Bilicki  
President  
Nautilus Marine Protection, Inc.  
700 E. Ocean Blvd #605  
Long Beach, CA 90802

**COUNTY:** Mr. James A. Noyes  
Director of Public Works  
County of Los Angeles  
Department of Public Works  
P.O. Box 1460  
Alhambra, CA 91802-1460

**IN WITNESS WHEREOF**, the parties hereto have caused this **AGREEMENT** to be executed by their respective officers, duly authorized, by **NAUTILUS MARINE PROTECTION, INC.**, on \_\_\_\_\_, 2003, and by the **COUNTY OF LOS ANGELES**, on \_\_\_\_\_, 2003.

COUNTY OF LOS ANGELES  
acting on behalf of the Los Angeles  
County Flood Control District

By \_\_\_\_\_  
Chair, Board of Supervisors

**ATTEST:**

VIOLET VARONA-LUKENS  
Executive Office of the  
Board of Supervisors of  
the County of Los Angeles

By \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**

LLOYD W. PELLMAN  
County Counsel

By \_\_\_\_\_  
Deputy

NAUTILUS MARINE PROTECTION, INC.

By \_\_\_\_\_  
David Bilicki, President

By \_\_\_\_\_  
David Bilicki, in his individual capacity

MC:

## **ATTACHMENT A**

### **BILL OF SALE**

### **WITNESSETH**

WHEREAS, **NAUTILUS MARINE PROTECTION, INC.**, a private corporation in the State of California, and David Bilicki (hereinafter Nautilus Marine Protection, Inc. and David Bilicki are referred to collectively as "**SELLER**"), contends that it is the owner of (i) a Los Angeles River Trash and Debris Collection System (hereinafter referred to as "**SYSTEM**"); and (ii) certain equipment, materials and spares necessary to operate, maintain, and monitor the **SYSTEM** (hereinafter referred to as "**SUPPORT EQUIPMENT**"); and

**WHEREAS**, the tangible items comprising the **SUPPORT EQUIPMENT** are more specifically identified in Exhibit 1 attached hereto, and by the foregoing reference, incorporated herein; and

**WHEREAS**, the **SYSTEM** and **SUPPORT EQUIPMENT** were created and acquired by **SELLER** pursuant to that certain Agreement No. 72659, dated April 4, 2000 by and between **SELLER** and **COUNTY OF LOS ANGELES**, a political subdivision of the State of California, acting on behalf of the Los Angeles County Flood Control District, a body corporate and politic (hereinafter referred to as "**BUYER**"), subject to that certain Amendment 1 to said Agreement, dated March 20, 2001 for the design, fabrication, installment and testing of the **SYSTEM** (hereinafter referred to as the "**PRIOR AGREEMENT**"); and

**WHEREAS**, **BUYER** contends that it is the owner of all property rights in the tangible items comprising the **SUPPORT EQUIPMENT** by virtue of its having financed the procurement thereof pursuant to the **PRIOR AGREEMENT**; and

**WHEREAS**, **SELLER** and **BUYER** desire to settle, fully and forever, the above-noted dispute over the ownership of the **SUPPORT EQUIPMENT**; and

**WHEREAS**, prior to or concurrently with the execution of this Bill of Sale, **SELLER** and **BUYER** entered into that certain "**AGREEMENT**" pertaining to the **SYSTEM** and **SUPPORT EQUIPMENT** for the purpose of settling said dispute; and

**WHEREAS**, **SELLER**, pursuant to the **AGREEMENT**, has agreed to quitclaim and sell to **BUYER**, and **BUYER** has agreed to purchase, the entirety of whatever rights, titles and interests **SELLER** may have in the **SYSTEM** and **SUPPORT EQUIPMENT**, subject to the terms and conditions set forth in the **AGREEMENT**; and

**WHEREAS**, **SELLER's** quitclaim and sale of the **SYSTEM** to **BUYER** is being effectuated by a separate instrument entitled "**ASSIGNMENT**" being executed concurrently herewith;



**NOW, THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, **SELLER** hereby unconditionally quitclaims, assigns, conveys, sells and transfers unto **BUYER** the entirety of whatever rights, titles and interests of any kind whatsoever **SELLER** may have in and to the **SUPPORT EQUIPMENT**, without any reservations or limitations of any kind whatsoever.

**SELLER** makes the following representations and warranties in connection with its foregoing quitclaim and sale of the **SUPPORT EQUIPMENT** to **BUYER**; to wit: that: (i) except for a federal tax lien and a State of California tax lien, if it has title to the **SUPPORT EQUIPMENT**, such title is clear and marketable, free and clear of any other liens, security interests, charges or encumbrances; (ii) it has the right and power to quitclaim and sell the **SUPPORT EQUIPMENT** to **BUYER**; and (iii) the foregoing quitclaim and sale is not in violation of any agreement or commitment heretofore made by **SELLER** with or to any third party. Except as expressly set forth above, **SELLER** makes no other representations or warranties relating to the **SUPPORT SYSTEM**.

**IN WITNESS WHEREOF**, **SELLER** have caused this Bill of Sale to be executed by its duly authorized representative on this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

**NAUTILUS MARINE PROTECTION, INC.**  
**("SELLER")**

By: \_\_\_\_\_  
David Bilicki  
President

By: \_\_\_\_\_  
David Bilicki, in his individual capacity

## **EXHIBIT 1**

### **SUPPORT EQUIPMENT**

#### **Haz Matt holding box**

Steel 2 door with sub floor drain.

8 ft. x 8ft. x 8ft. inside shelving and lights lockable water tight.

#### **Steel Ready Box**

2 door @ gangway with sub floor drain.

9ft.x 6ft.x 8ft. Storage of water sampling equipment, hand tools, life jackets.  
Lockable.

#### **Gangway Aluminum**

30ft.x3.5ft. railings, lights with 2 USCG approved throw rings.

#### **5 Spill Kits located at crane operations stand by**

in 55 gal. Drums (RED) containing absorbent pads, powders, 4in. absorbent boom.

#### **Emergency eye wash station**

Located at crane harvesting at gangway box.

#### **Dock Steel and Wood**

8ft.x 10ft. direct access to water for boat and sampling operations.

#### **Rubber Spill Mat**

50ft. x 75ft. covering the rocks at the crane loading operations, allows trash that is spilled by crane in harvesting to slide back into the water.

#### **Air Compressor and Air Curtain System**

Allows trash to be held over 2 days within the collection area until harvested.

#### **Boom Section 50ft.x 28in.**

Spare or replacement section located near gangway.

#### **Boom Skirts 12 sections- 20ft.x3ft.**

Replacement for damaged skirts with zinc coating and zinc bars in place.

#### **Keel Blocks 4 at 6,500. Lb. each**

Replacement or if additional anchoring is needed.

#### **Keel Blocks 2 at 2800. LB. each**

Replacement or if additional holding power is needed.

#### **Dump Hopper 5ft.x 4ft. steel**

Used with any forklift site clean-up trash.

**Crane Trash Bucket.**

2 cu yd trash bucket steel with attachment wires and spreader bar.

**Yellow Boom 8in x 200ft.**

Used as additional hold of trash within containment system or deflection units.

**Navy anchor 3,800 lb.**

Located on west bank used for additional holding for wings.

**Gang Box steel and spares**

5ft.x 4ft.x 4ft. hold rigging, cable, shackles, wire rope, slings for extracting boom sections with crane.

## ATTACHMENT B

### QUITCLAIM AND ASSIGNMENT

This **QUITCLAIM AND ASSIGNMENT** is executed by **NAUTILUS MARINE PROTECTION, INC.**, a private corporation in the State of California, and David Bilicki (hereinafter Nautilus Marine Protection, Inc. and David Bilicki are referred to collectively as "**ASSIGNOR**") for the benefit of **COUNTY OF LOS ANGELES**, a political subdivision of the State of California, acting on behalf of the Los Angeles County Flood Control District, a body corporate and politic (hereinafter referred to as "**ASSIGNEE**").

### WITNESSETH

**WHEREAS, ASSIGNOR** contends that it is the owner of a Los Angeles River Trash and Debris Collection System (hereinafter referred to as "**SYSTEM**"); and

**WHEREAS, the SYSTEM** was designed, fabricated, installed and tested pursuant to that certain Agreement No. 72659, dated April 4, 2002 by and between **ASSIGNOR** and **ASSIGNEE**, subject to Amendment 1 to said Agreement, dated March 20, 2001 for the design, fabrication, installation and testing of the **SYSTEM** (hereinafter referred to as the "**PRIOR AGREEMENT**"); and

**WHEREAS, ASSIGNEE** contends that it is the owner of all of the tangible property and intellectual property rights of any kind whatsoever in and to the **SYSTEM** by virtue of its having financed the design and fabrication thereof pursuant to the **PRIOR AGREEMENT**; and

**WHEREAS, ASSIGNOR** and **ASSIGNEE** desire to settle, fully and forever, the above-noted dispute over the ownership of the **SYSTEM**; and

**WHEREAS, prior to or concurrently with the execution of this Assignment, for the purpose of settling said dispute, ASSIGNOR and ASSIGNEE entered into that certain "AGREEMENT" pertaining to the SYSTEM and to certain "SUPPORT EQUIPMENT" necessary to operate, maintain and monitor the SYSTEM; and**

**WHEREAS, ASSIGNOR, pursuant to the AGREEMENT, has agreed to quitclaim and sell to ASSIGNEE, and ASSIGNEE has agreed to purchase the SYSTEM and the SUPPORT EQUIPMENT, subject to the terms and conditions set forth in the AGREEMENT; and**

**WHEREAS, ASSIGNOR's quitclaim and sale of the SUPPORT EQUIPMENT is being effectuated by a separate instrument entitled "BILL OF SALE"; and**

**WHEREAS, ASSIGNOR** may have legally protectable intellectual property rights in the **SYSTEM**, including, without limitation, patent rights and/or trade secrets in the designs, configurations, materials, methodologies, techniques and processes embodied in the **SYSTEM** (hereinafter referred to collectively as **IP RIGHTS**); and

**NOW, THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, **ASSIGNOR** does hereby unconditionally quitclaim, assign, convey, sell and transfer unto **ASSIGNEE**, without any reservations or limitations of any kind, the entirety of whatever rights, titles and interests of any kind whatsoever **ASSIGNOR** may have in and to (i) the tangible components of the **SYSTEM**; and (ii) the **IP RIGHTS**, if and to the extent **IP RIGHTS** exist with respect to the **SYSTEM**;

**ASSIGNOR** agrees to fully cooperate with **ASSIGNEE** in executing or having executed all further documents, and in doing all other things reasonably required, to effectuate this Quitclaim and Assignment, for and at the request of **ASSIGNEE**, and without charge or cost to **ASSIGNEE**.

In connection with the assignment hereinmade, **ASSIGNOR** represents and warrants that (i) **ASSIGNOR** is the sole designer and manufacturer of the **SYSTEM**; (ii) except for a federal tax lien and a State of California tax lien, if it has title to the **SYSTEM** and the **IP RIGHTS** therein, such title is clear and marketable, free and clear of any other liens, security interests, charges or encumbrances; (iii) **ASSIGNOR** has made no prior assignments, or granted licenses or effectuated any other transfers of any kind pertaining to the **IP RIGHTS**; (iv) **ASSIGNOR** has the right and power to make the present Quitclaim and Assignment; and (v) **ASSIGNOR** is under no legal obligation or prior commitment to any third party which is inconsistent with this Quitclaim and Assignment. Except as expressly set forth above, **ASSIGNOR** makes no other representations or warranties relating to the **SYSTEM** or the **IP RIGHTS** therein, if any.

**IN WITNESS WHEREOF, ASSIGNOR** has caused this instrument of **ASSIGNMENT** to be executed by its duly authorized, officer on this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

**NAUTILUS MARINE PROTECTION, INC.**  
**(ASSIGNOR)**

By \_\_\_\_\_  
David Bilicki, President

By: \_\_\_\_\_  
David Bilicki, in his individual capacity

**EXHIBIT 1**

## **THE SYSTEM**

Los Angeles River trash boom system is built of the following components:

**18 sections of 50ft.x 28in.** polyethylene pipe with one inch wall and end caps painted white

**36 sections of 20ft.x 36in** galvanized steel skirts with 2-in pad eyes & steel boom straps.

**6- 5/8 in. shackles** hold and join each of the 18 sections for a total of 108 shackles.

**21- 5/8in. x 40 ft. wire rope** slings are used to hold the system to ground tackle.

**10- 6,500lb. keel blocks** are used to hold all of the boom sections in place.

**600 ft. of yellow 8-in. boom** is used to act as safety blow out to deflection wings.